RV BUSINESS

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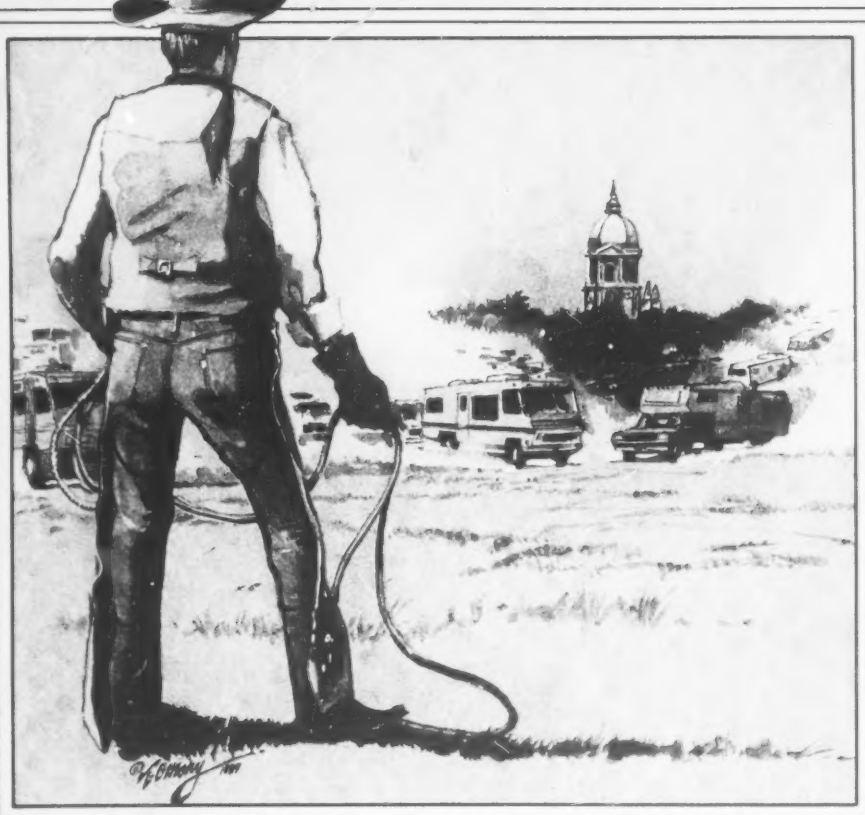

SOUTH BEND ROUNDUP: Exhibitor listings, floorplans, a calendar of events and a quick scouting of area restaurants are aimed at helping everyone "saddle up" for this year's South Bend show. See our special show section on page 75.

RVIA, Detroit Automakers Meet to Discuss Impact of New Van-Seating Regulation

RVIA officials have begun what they characterize as a series of "top priority" meetings with representatives of Ford Motor Co., General Motors (GM) Corp. and Chrysler Corp. to discuss new National Highway Traffic Safety Administration (NHTSA) regulations regarding van seating.

At issue is a proposed change under Federal Motor Vehicle Safety Standard (FMVSS) 208 that will require dynamic seat testing to determine the position of driver and front passenger seats and restraints, and that will also require rear lap/shoulder belts for rear seats in van conversions built after Sept. 1, 1991.

According to RVIA officials, the new regulation presents two problems for van converters: difficulty in complying with the complex and costly testing requirements, and basic seating changes likely to result in loss of design flexibility and production of less-desirable conversions.

"What it all boils down to," said Jerome C. Loftus, general counsel for RVIA, "is that if van converters lose the flexibility they have now and are forced to take a standard seat supplied by the chassis maker, it will destroy the van-conversion industry. Not only will it severely compromise the design versatility now enjoyed by the van industry, it will simply destroy the seating manufacturers."

RVIA has had preliminary discussions with all van-chassis manufacturers, but the first substantive talks on the issue began in a June meeting with Chrysler representatives, who have indi-

continued on page 12

7 Vyquest Plans Reorganization

7 RVDA Urges Open-House Changes

8 MARVAC, MAPCO Call Off Merger Plan

8 New Chassis Maker Offers Class A Rail

9 National RV Debuts Low-end '90 Class A

9 RVIA Market Program Shifts Gears

9 Diesel-Engine Trucks Gain Popularity

10 Glaval Sees 100% Growth For 1989

10 Kwikee Buys Line of Metal Products

10 TRVA Drops '89 Vendorama

11 Pleated Shades Dominate Van Window Coverings

RV BUSINESS

VOLUME 40, NUMBER 9 AUGUST 7, 1989 TWO DOLLARS

38

75

COVER ILLUSTRATION: TOM O'MARY

NEWS AND TRENDS

Industry News ____ 7

RV People ____ 15

DAB Perspective ____ 18

FEATURES

Tips on Used Appraisals ____ 22

Appraisals may start with pricing guides, but dealers agree that knowledge of market trends, systematic inspection, accurate assessment of repair needs, and hard-earned dealer experience play even more key roles in profitable used-unit assessment.

Financing Used ____ 30

With demand for used RVs running high and new-unit sales soft, dealers may sometimes find it a financial stretch to carry adequate used inventory. Dealers and spokesmen for financial firms explore the pros and cons of floorplanning used units.

RVB's South Bend Roundup ____ 75

This roundup of information is aimed at helping everyone "Saddle Up for South Bend," the theme of this year's Midwest Manufactured-Housing & RV Show. Included are exhibitor listings, floorplans, a calendar of events and a quick scouting of local restaurants.

DEPARTMENTS

Dealer Concepts ____ 38

Service ____ 44

Calendar ____ 50

In Brief ____ 54

New Literature ____ 60

Profitmakers ____ 62

Classified Advertising ____ 84

Index to Advertisers ____ 86

Readers' Forum ____ 89

Commentary ____ 90

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MAY WAS NOT 'THAT BAD'

GAYLORD MAXWELL

A first glance at RVB's Dealer Advisory Board's figures for May suggested that it was a poor month for RV dealers. But a more careful analysis revealed that, although it wasn't a boomer, it really wasn't all that bad. Business was so good in May 1988 that comparisons of monthly figures for both years revealed a lot of minuses, which made the picture look worse than it really was. The fact was that the percentage differences were quite small. May of '89 was very much a repeat of '88.

Year-to-date, the same situation existed — lots of minuses. Again, however, the differences weren't great. In terms of dollars for the DAB as a whole, there was a difference of only one-tenth of a percent. Individually, 14 DAB members reported they were down in dollar volume, nine were up. New units were off only 4% for the group, and used were down 5%.

It should be noted that three new-unit categories were up for the month and that all three were towables. Only two categories of used were up, and again both were towables.

Profits on new units tended to be a bit weaker than normal, although they were still more often than not rated in the "good" category. Used units slid a bit — from good or excellent to good or fair. Service-and-accessory profits slipped a bit also. Grosses were considered generally good, but bottom lines definitely weakened for many of our DAB members.

New-unit inventories were still toward the high side, but they were down from the previous two months. Used inventories were varied, but they tended to be more on the low side. Traffic was average to low, as was the percentage of new buyers.

A problem for many dealers is that they expect every year to be better than the preceding year. They forecast and budget to be "up" and when they don't get the expected increases, they have problems with inventory and profits. The moral of this story should be obvious.

Motorhomes

There's no doubt about it – motorhome sales were off in May. Ten members of our DAB were down in new-unit sales for the month, six were up. Used sales were much better.

Year-to-date, the picture was better. New-unit sales weren't too far behind those for last year — down only 4%. Used units were still moving well and were close behind May 1988's figure.

Undoubtedly, the greatest problem with motorhome sales is that they have weakened more each month. Making decent grosses will be the problem in the months to come.

Travel Trailers

May was a 50-50 month for trailer dealers, the ups and the downs were about equally divided. A few more new units were sold this May than last, putting this category in the plus column for a change. Profit ratings were generally good, with three members of the board declaring them excellent. Used units didn't fare quite so well.

Year-to-date, trailers were still slightly in the minus column in new, and down a bit more in used.

After two months of being down for the DAB, the May increase was a welcome sign. Since all towables were up for the month, perhaps we're seeing the beginning of a renewed growth for that type.

Truck Campers

Only one of the camper dealers on the DAB managed to match last May's new-unit sales figures. Both of our specialists fell short. There's no accounting for the apparently weakened market this year. Profits were rated good-to-excellent for the new units that were sold. Used units were in short supply, according to one of our DAB experts.

Year-to-date, the picture was a little better, but it still wasn't as good as it could be.

If there's a larger market for truck campers, dealers have not been successful in finding it.

Folding Camping Trailers

According to our DAB, this RV type has at least been holding its own this year. Dealers on our board were about equally divided between the ups and the downs. Most of the larger ones were down a bit from last year. Our figures were somewhat misleading because of the discount purchase and subsequent very successful sale of nearly a hundred units by one of our members who normally doesn't sell fold-downs. Profits received rather mixed ratings, ranging from excellent to poor.

It looks like the year will be so-so for this category.

Fifth-wheels

After sluggish sales for the previous three months, fivers finally surged into the plus column. Most DAB members who han-

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY 1989	MAY 1988	% CHANGE	1989	1988	% CHANGE	MAY 1989	MAY 1988	% CHANGE	1989	1988	% CHANGE
MOTORHOMES	147	173	– 15	746	790	– 6	147	151	– 3	709	718	– 1
TRAVEL TRAILERS	131	122	+ 7	535	550	– 3	113	123	– 8	497	555	– 10
TRUCK CAMPERS	28	38	– 26	111	131	– 15	12	17	– 29	68	94	– 28
CAMPING TRAILERS	123	115	+ 7	562	533	+ 5	56	48	+ 17	174	169	+ 3
FIFTH-WHEELS	53	43	+ 23	205	183	+ 12	28	21	+ 33	106	104	+ 2

	FOR MONTH			YEAR-TO-DATE		
	MAY 1989	MAY 1988	% CHANGE	1989	1988	% CHANGE
SALES VOLUME	$15,199,845	$15,746,387	– 3	$67,985,778	$68,078,048	< – 1%
TOTAL UNIT SALES	838	876	– 4	3,713	3,826	– 3
NEW-UNIT SALES	482	501	– 4	2,159	2,187	– 1
USED-UNIT SALES	356	375	– 5	1,554	1,639	– 5

DAB PERSPECTIVE *continued*

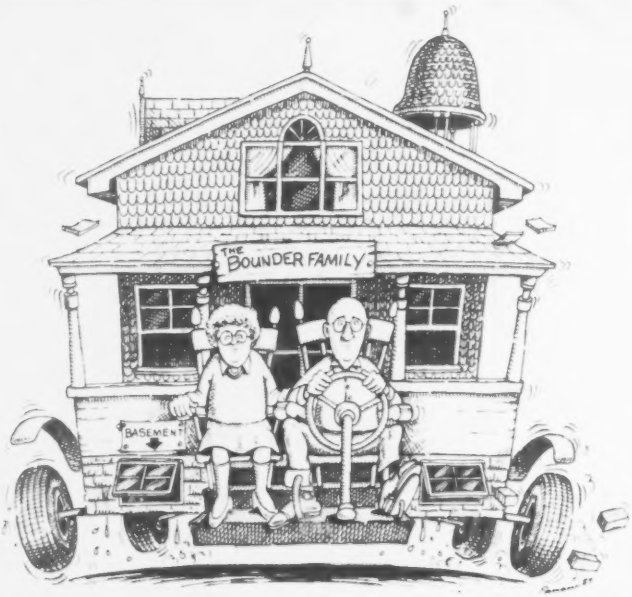
dle fifth-wheel units were running about even compared with last year. A couple of them had some rather impressive unit totals for the year-to-date, although most of our members who stock this type had sold fewer than 10 units by May. Profits were rated generally good.

Perhaps the older, conservative buyers have reconciled themselves to higher gas prices by now and will be in the marketplace this fall. Δ

The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dasson,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Wayne Peay,** Albuquerque, N.M.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Dave Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.



Inexpensive Doesn't Have to be Big & Ugly!

For an alternative motorhome that's $8-10,000 less than the competition... See page 29

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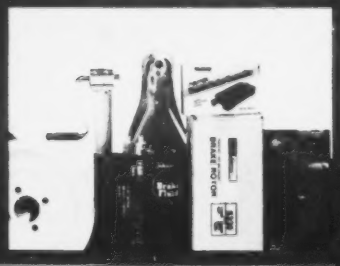

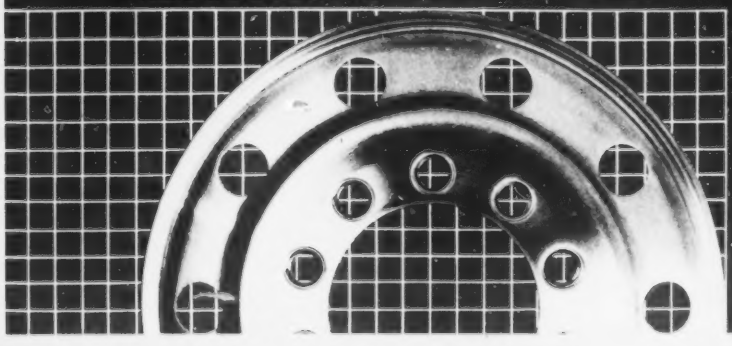

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